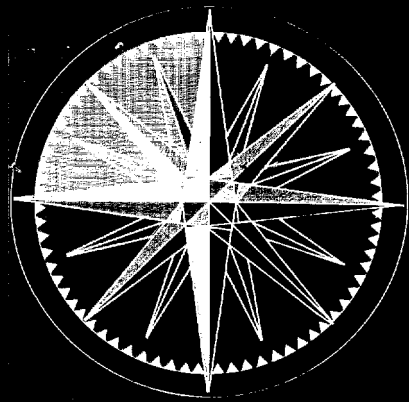


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SPECIAL REPORT

INCREASING MALAY-CHINESE RIVALRY IN MALAYSIA

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INCREASING MALAY-CHINESE RIVALRY IN MALAYSIA

Since the Malaysian Federation's inception a year and a half ago, relations between the central government and the state of Singapore have been stormy. The United Malay National Organization (UMNO) led by Malaysian Prime Minister Tunku Abdul Rahman, is the dominant partner in the Alliance, the coalition of communal parties which controls the central government in Kuala Lumpur. The UMNO considers itself the leader and defender of the Malay population which makes up 42 percent of the population of Malaysia. UMNO's leaders have been increasingly concerned with the challenge to continued Malay political hegemony posed by the noncommunal but predominantly Chinese People's Action Party (PAP) which, under its leader Lee Kuan Yew, rules in Singapore. Tension between the two parties has developed to such a pitch that it represents a threat to the existence of the federation.

Merger as Seen From Kuala Lumpur and Singapore

Because Malay leaders traditionally have feared that political association with Singapore would allow political control to pass to the Chinese, Alliance Party leaders agreed with considerable misgivings to including Singapore in the federation. Taking Singapore in, however, was viewed as a practical way of increasing the viability of the nation: Singapore's prosperous economy could be integrated with Malaya's, and the security threat posed by the possibility of an independent Communist Singapore could be virtually eliminated. The PAP had proven its ability to rule in Singapore and had demonstrated its effectiveness in suppressing

strong pro-Communist elements there. PAP rule, however, was seen by Kuala Lumpur as temporary until Singapore could be fully integrated politically into an Alliance-controlled Malaysia, at which time the PAP would have outlived its usefulness.

More particularly, Malayan leaders had no intention of diluting the principle of Malay political control of the central government. Thus an essential condition to the merger was the limitation of Singapore's representation in Malaysia's parliament to 15 seats in exchange for local autonomy in health, education, and labor matters. Kuala Lumpur also insisted on the inclusion within the federation of the British

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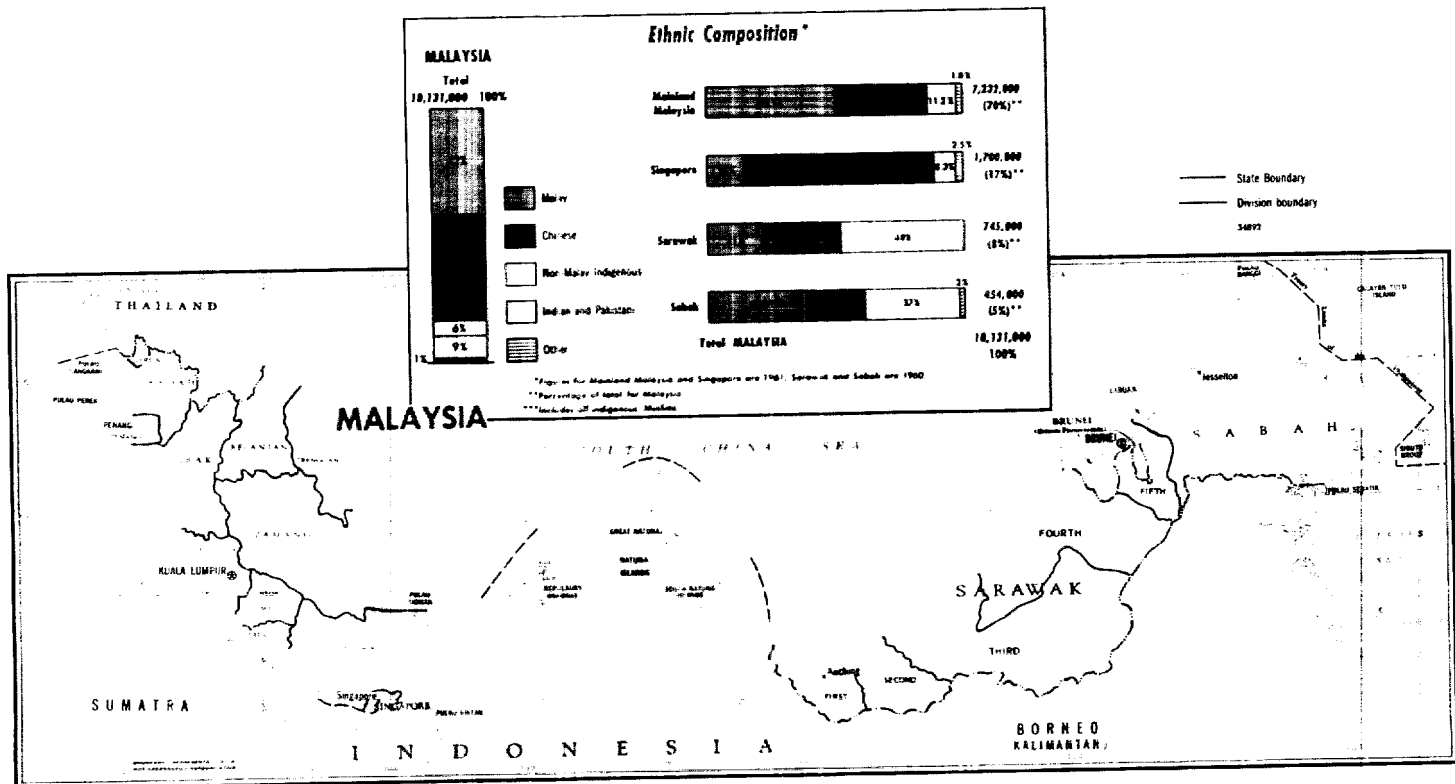
Borneo territories, with their predominantly non-Chinese populations, to offset the Singapore Chinese.

To the PAP, merger was a consummation devoutly to be wished if only because Singapore as a trading, commercial, and industrial complex could not survive cut off from the Malayan peninsula. To make Malaysia attractive to the many Chinese in Singapore who feared Malay dominance, and to counter the charges of the pro-Communist Barisan Socialist Party (BSP) that the PAP was "selling out" the Chinese, Lee conducted a hard-hitting campaign to convince the Singapore electorate

that the Alliance Party and the PAP would work in harmony to create a noncommunal society where Chinese could become "first-class" citizens, participating fully in the political affairs of the nation. When merger finally came in 1963, the PAP had won an overwhelming victory over the BSP and, by also defeating UMNO candidates in Malay constituencies, had made the PAP and Singapore models for a federation-wide noncommunal political system.

Beginning of Direct Conflict

The first direct clash between Singapore and Kuala Lumpur occurred when the PAP decided

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to contest a limited number of parliamentary seats in the Malayan general elections of April 1964. This development alarmed the Alliance. Both the UMNO and the leaders of the Malayan Chinese Association (MCA), the Chinese party in the Alliance, believe that the communal political party system has been responsible for maintaining interracial harmony. To them, the PAP entry in the Malayan elections represented a Chinese attempt to upset the political balance and challenge the basic condition for racial peace--Malay pre-eminence in politics. The Alliance also felt that the PAP's move into the mainland violated what they considered the spirit of the agreement under which Malaysia was formed--that in exchange for a certain amount of autonomy, Singapore would keep out of national politics.

The PAP explained its entry into the elections as a move to carry out its policy of cooperation with the central government. The PAP believed that the small, Communist-penetrated Socialist Front operating in Malaya would be able to gain seats in parliament at the expense of the MCA, which the PAP criticized as corrupt and inefficient. If it could defeat both the Socialist Front and the MCA in these districts, PAP hoped to convince the Alliance leadership that the old communal political system was no longer an effective framework, and that the Alliance should henceforth closely cooperate with the PAP in opposing

the pro-Communist left and the ultranationalist Malay right-wing opposition. The PAP's hopes were shattered, however, when its candidates won only one of the nine seats they contested.

Despite the PAP's failure here, the Alliance leadership, fearing the PAP's political "know how" and organizing ability and foreseeing that Lee might try to "invade" the mainland again, they launched an aggressive campaign against him and his party. UMNO increased its activity in Singapore with the avowed intent of recapturing the Malay vote there and of eventually gaining control of Singapore for the Alliance. UMNO extremists distributed anti-Chinese propaganda in Singapore, contributing to the sharp racial feeling which culminated in the Singapore race riots of July and September last year.

Frightened by the riots, Lee and Rahman met in September and agreed to a two-year "truce." This agreement proved short-lived, inasmuch as UMNO leaders publicly interpreted the truce as forbidding only exploitation of "sensitive communal issues" but not restricting UMNO efforts to undermine the PAP. With the UMNO continuing to expand its political activity in Singapore, Lee made a number of public statements bitterly denouncing the Alliance's attitude toward the PAP and calling for a noncommunal nation of "Malaysians." Rahman in turn charged that the attempt by the PAP "to take a

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hand in the affairs of Malaysia" was "quite contrary to what we agreed."

PAP's Strategy Shift

Realizing the futility of reaching any kind of working agreement with the Alliance, the PAP at its party congress in October shifted its policy. Up to then the PAP had considered itself a progovernment party, seated with but not belonging to the opposition. It now chose to become an outright opposition party, voting against government legislation and advocating non-communal, class-based politics and socialism as opposed to the communal politics and capitalism of the Alliance. It began to open branch headquarters on the Malayan mainland and aggressively to seek Malay support, asserting that socialism and not "special rights" are the solution to the general economic depression of the Malay.

UMNO's Shift in Orientation

Paralleling the deterioration in Singapore - Kuala Lumpur relations has been the increasing influence and strength of Malay ultranationalists within UMNO. The hatred and fear that these elements exhibit toward Lee Kuan Yew and the Chinese sometimes borders on paranoia. Rahman and other moderate Malay leaders, reacting to the PAP challenge and concerned with the continuing Indonesian challenge for Malay leadership, have also taken a more narrow Malay stance. Rahman, unwilling to restrain

growing chauvinism within the party or to mute the attacks on the PAP by UMNO officials, has in effect become an apologist for, if not an advocate of, Malay ultranationalism. His earlier image as a noncommunal figure thus has been considerably altered. The shift to a more chauvinistic stance within UMNO in turn has excited the Singapore Chinese and is now even causing increasing restiveness within UMNO's communal ally, the MCA.

Malaysian Deputy Prime Minister Tun Abdul Razak, the almost certain successor to Rahman, is more parochially Malay than Rahman. Razak has worked closely with the extreme nationalists within UMNO to build a firm base for his personal position within the party. If, upon Razak's succession to leadership, Malay extremists gain greater influence within UMNO, it will become extremely difficult to hold the federation together.

Recent Maneuvering

Last January it was reported that the central government was seriously considering either the expulsion of Singapore from the federation or a constitutional rearrangement which would effectively isolate the PAP and Singapore. In late January and in February, Rahman called in Lee for a series of talks which apparently were concerned with this possibility. The talks evidently were inconclusive, and Rahman and the

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central government still seem to be considering such a move.



If Singapore were expelled or excluded from meaningful participation in the federation, the PAP could well face disaster. The party has staked its future on making Malaysia "work," and its prestige among Singapore's electorate, where increasing misgivings about Malaysia are already evident, would at the least be severely damaged.

Rather than risk such a development the PAP now seems to be looking for a compromise which, while blocking its activity outside Singapore, would allow Singapore to maintain its representation in the national parliament, continue its economic ties with the mainland, exercise complete internal self-government, and exclude the Alliance from politicking in Singapore. Such an arrangement would enable PAP to counter the Barisan Socialist "I told you so" campaign by arguing that Malaysia was still intact and Singapore's autonomy had been strengthened. Lee has recently made public statements calling for a "period of disengagement" with the idea that in time it will be possible

for Singapore and Kuala Lumpur to think again about a closer relationship leading to political integration.

The central government, however, is probably reluctant to accept such an arrangement. Central government officials would be loath to relinquish their economic control over Singapore and, fearful of the potential of Singapore's left wing, they can be expected to insist that they continue to control the island's police and internal security. Rahman would be reluctant, moreover, to risk the wrath of Malay ultranationalists by "abandoning" the Malay population in Singapore to the PAP.

Most recently, PAP leaders have come to fear that the central government will junk plans for a constitutional rearrangement and will simply attempt to suppress and pressure the PAP, possibly even by strong-arm methods. The PAP's fears in this respect were reinforced recently by an openly punitive economic move by Kuala Lumpur. In mid-March, textile import quota negotiations between Malaysia and Britain disrupted when the central government insisted on reserving for Malaya the entire woven goods quota and the major share of the garment quota in spite of the fact that Malaya produces no garments for export. PAP officials bitterly denounced the central government for deliberately seeking to damage Singapore's economy.

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In a state so dominated by commercial interests as is Singapore, economic pressure from the central government could have more harmful effects on relations between Singapore and Kuala Lumpur than political measures. If the PAP is forced to concede that membership in Malaysia has not brought promised economic benefits but the reverse, Lee Kuan Yew will be hard pressed to justify continued participation in the federation.

Outlook

The differences between Singapore and Kuala Lumpur stem fundamentally from a lack of consensus on what the federation is supposed to accomplish for its constituent elements. Until this problem is resolved, if in fact it can be resolved, relations between the two major states will be stormy and the federation constantly near the brink of disintegration. In the near future, it is highly unlikely that the central government will accept Lee Kuan Yew's concept of a noncommunal

Malaysia or his demand that the PAP be recognized as a national political force. It is equally unlikely that the PAP would be willing or even able to accept UMNO's concept of a multiracial Malaysia, permanently led by Malays.

The continuation of PAP's direct political challenge to the Alliance will provoke Kuala Lumpur into action which could easily lead to the break-up of Malaysia. On the other hand, if the central government, through its pressure tactics, topples the PAP in Singapore, the voters there would not swing to the Alliance parties but to the pro-Communist, anti-Malaysia Barisan Socialist Party, a development which would be intolerable to Kuala Lumpur. Thus a Singapore "disengagement" preserving the essentials of the framework of Malaysia appears at the moment to be the only reasonable course for both sides, but it is problematical whether either will be willing to make the compromises necessary for such a solution.

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